

AR10

**THE
H.A. ROBERTS
GROUP LTD.**

**ANNUAL
REPORT
1974**

THE H.A. ROBERTS GROUP LTD.

Executive Offices
2222 - 11th Avenue, Regina
1198 West Pender Street,
Vancouver

DIRECTORS

Dr. Ben Bookhalter
Kevin P. Boyle
W. Joseph Bronstein
Eli L. Fluter
Kenneth R. MacLeod
Frank Sojonky
Casey C. Vanee

OFFICERS AND EXECUTIVE

W. Joseph Bronstein
President
Frank Sojonky, B. Comm.
Executive Vice President
Casey C. Vanee
Senior Vice President
Kevin P. Boyle
Senior Vice President
Eli L. Fluter, B. Comm., C.A.
Treasurer
Kenneth R. MacLeod, Q.C.
Secretary

REPORT TO THE SHAREHOLDERS

The housing and property development industry regularly faces the difficult task of creating attractive homes at prices that people can afford, and making a profit in the process. Combining these two goals in a climate of constantly rising costs is a challenge to any management team.

We therefore count ourselves doubly blessed in 1974 in that we have succeeded in developing housing that is a little better than most, and we have received a reasonable return on our investment.

This year's total assets have increased by \$7.3 million to \$20.7 million. Net profits after income taxes increased by 26% to \$18,000. Our group has shown impressive strength and growth, and with our recent acquisition of Medallion Mortgage Corporation of Alberta, we have become one of Western Canada's largest real estate brokers.

The implications of the Medallion acquisition go well beyond brokerage, however. Medallion gives us a ready-made base of operations in what is presently the most dynamic economy in Western Canada. Alberta is now a focal point for the two most important commodities in the world today, energy and agriculture. Its economic growth in the past twelve months has been astounding, and it is entirely likely that the past has been merely a prelude to the real growth ahead. The H.A. Roberts Group intends to participate fully in that growth in the coming months.

We have, in fact, already begun. Within a month of our acquisition of Medallion, we made a major investment in a multi-million dollar townhouse project called Willow Tree Village. This transaction amply demonstrates our ability to continue to move decisively in spite of our rapid growth.

Our solid reputation in the field of land development has led us to one of Canada's most innovative land bank arrangements. We will accumulate the lots we need to maintain a continued flow of new housing onto the market; land purchases will be financed by interest-bearing bonds issued to institutional investors acting on behalf of pension funds. The details are further on, but the principal benefits can be noted here. More developed land means, quite simply, more houses, and investment in a land bank by a pension fund means protection of employees' retirement money from company difficulties.

REPORT TO THE SHAREHOLDERS

The housing and property development industry regularly faces the difficult task of creating attractive homes at prices that people can afford — and making a profit in the process. Combining these two goals in a climate of constantly rising costs is a challenge to any management team.

We therefore count ourselves doubly blessed in 1974 in that we have succeeded in developing housing that is a little better than most, and we have realized a reasonable return on our investment.

This year's total assets have increased by \$7.3 million to \$20.7 million. Net profits after income taxes increased by 26% to \$418,000. Our group has shown impressive strength and growth, and with our recent acquisition of Medallion Mortgage Corporation of Alberta, we have become one of Western Canada's largest real estate brokers.

The implications of the Medallion acquisition go well beyond brokerage, however. Medallion gives us a ready-made base of operations in what is presently the most dynamic economy in Western Canada. Alberta is now a focal point for the two most important commodities in the world today, energy and agriculture. Its economic growth in the past twelve months has been stunning, and it is entirely likely that the past has been merely a prelude to the real growth ahead. The H.A. Roberts Group intends to participate fully in that growth in the coming months.

We have, in fact, already begun. Within a month of our acquisition of Medallion, we made a major investment in a multi-million dollar townhouse project called Willow Tree Village. This transaction amply demonstrates our ability to continue to move decisively in spite of our rapid growth.

Our solid reputation in the field of land development has led us into one of Canada's most innovative land bank arrangements. We will accumulate the land we need to maintain a continued flow of new housing onto the market; land purchases will be financed by interest-bearing bonds issued to institutional investors acting on behalf of pensions funds. The details are further on, but the principal benefits can be noted here. More developed land means, quite simply, more housing; and investment in a land bank by a pension fund means protection of employees' retirement money from rampant inflation.

The land bank, however, is just the latest of our efforts in the area of shelter. We have had many other successes in the "shelter business" over the past year, from both the social and financial points of view.

We purchased a 64-unit townhouse project in Saskatoon that had been converted to rental housing; the developer had been unable to sell it. We refurbished it, added a year-round recreation centre with an indoor swimming pool, brought in our REMCI division to market it, and sold it out within eight weeks. As a result of our commitment, 64 families now own their own homes.

In British Columbia, we're in the process of developing a lovely mountainside area that will provide some 1600 people with a variety of shelter possibilities. This will be a complete planned community within commuting distance of Vancouver, and there will be a positive mix of luxury houses, patio houses, townhouses and apartments in the development.

Other developments within our group include a wide range of projects in various stages of completion across Western Canada. One project of which we are particularly proud is the new addition to our very successful Westward Motor Inn in Regina. When all the work is completed, including some innovative architecture that will make a seven

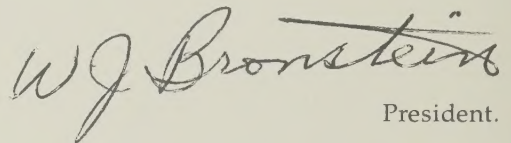
storey building out of a four storey building, the Westward will be more than ever an important asset to Regina as well as to The H.A. Roberts Group. Over the past year, one of the most important contributors to our overall growth has been the performance of our investment portfolio. Those projects which we retain not only represent the most modern in planning and design, but provide the largest return on equity as well. Their value is presently some millions of dollars in excess of present book amounts as shown on the balance sheet.

Another asset whose contribution we cannot overemphasize is our staff. The dedicated efforts of the 540 people who make up The H.A. Roberts Group are responsible for our success, and we would like to take this opportunity to say, "Well done!" to all of them.

Looking ahead to next year, in spite of financial and economic considerations with which everyone is by now all too familiar, we expect to continue to grow vigorously. We will continue our efforts to build the finest planned communities we can, with all the social amenities we can provide, at prices which can be approached by the largest number of people, and at a fair return on our investment.

In fact, if 1975 is as good as 1974, it will be a very good year indeed.

For the Board of Directors,

A handwritten signature in dark ink, reading "W.J. Bronstein". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

President.

ANNUAL REPORT 1974
September 30, 1974

THE H.A. ROBERTS GROUP LTD.
and Subsidiary Companies
(Incorporated under the Companies Act of Saskatchewan)

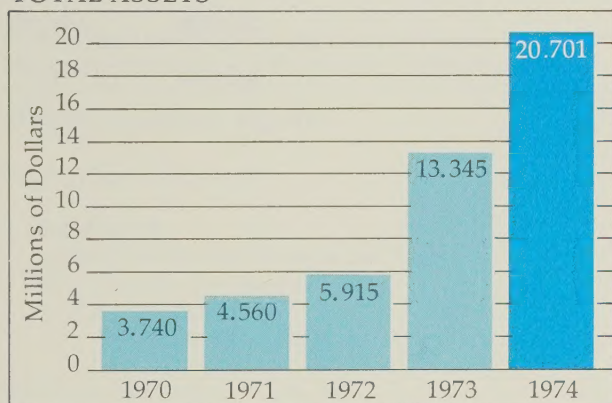
HIGHLIGHTS

	1974	1973
Sales	\$8,943,000	\$6,640,000
Cash Flow	\$854,000	\$722,000
Cash Flow per share*	53.9¢	45.6¢
Earnings	\$418,000	\$332,000
Earnings per share*	26.4¢	20.9¢
Total Assets	\$20,701,000	\$13,345,000

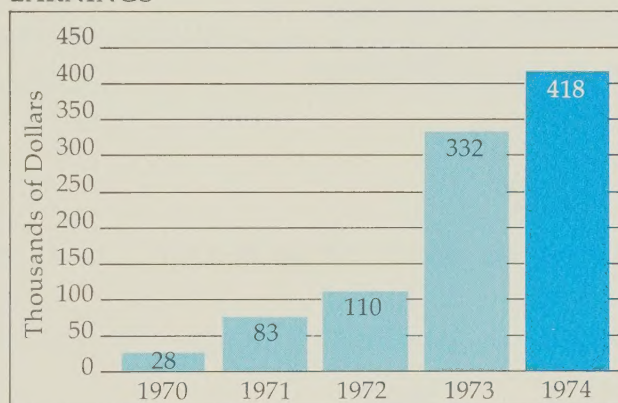
* Based on average number of shares outstanding and fully paid.

Cash flow is shown before depreciation, amortization, deferred income taxes and mortgage principal repayments.

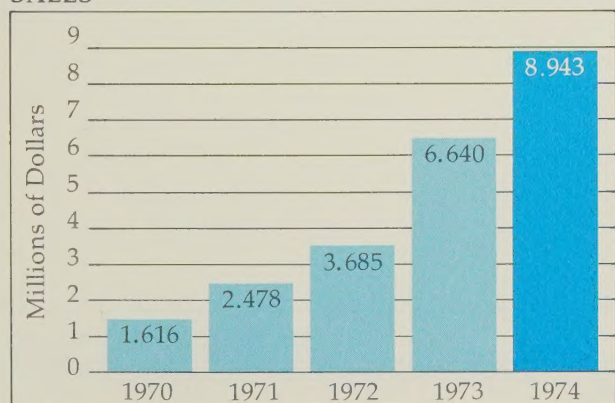
TOTAL ASSETS



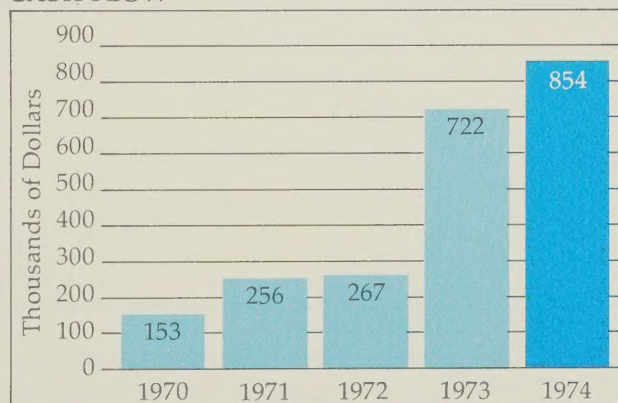
EARNINGS



SALES



CASH FLOW



CONSOLIDATED BALANCE SHEET

September 30, 1974

THE H.A. ROBERTS GROUP LTD.

and Subsidiary Companies

(Incorporated under the Companies Act of Saskatchewan)

	1974	1973
ASSETS		
Accounts and Mortgages Receivable	\$ 2,581,000	\$ 1,757,000
Property Under Development and Work In Progress (Note 2)	7,466,000	3,305,000
Agreements Receivable	1,074,000	619,000
Prepaid Expenses and Supplies	196,000	161,000
Revenue-Producing Properties Completed And Under Development at cost less accumulated depreciation (Note 2)	8,572,000	6,921,000
Investment In Land Syndicate (Note 3)	159,000	139,000
Loan Receivable From Shareholders	238,000	238,000
Goodwill (Note 1)	250,000	205,000
Franchises and Intangibles	165,000	—

SIGNED ON BEHALF OF THE BOARD

KEVIN P. BOYLE Director

ELI FLUTER Director

\$20,701,000 \$13,345,000

The accompanying notes are an integral part of this financial statement.

The accompanying notes are an integral part of this financial statement.

CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS

For the year ended September 30, 1974

THE H.A. ROBERTS GROUP LTD.
and Subsidiary Companies
(Incorporated under the Companies Act of Saskatchewan)

	1974	1973
SALES		
Property sales, rentals, commissions and fees	\$8,065,000	\$5,323,000
Gross revenue from hotels	878,000	1,317,000
	8,943,000	6,640,000
EXPENSES		
Operating costs and expenses	7,709,000	5,788,000
Depreciation and amortization	115,000	107,000
Interest on mortgages	442,000	274,000
Other interest	66,000	50,000
	8,332,000	6,219,000
Earnings from Operations	611,000	421,000
Other Income	139,000	207,000
Earnings Before Income Taxes	750,000	628,000
PROVISION FOR INCOME TAXES		
Current	11,000	13,000
Deferred	321,000	283,000
	332,000	296,000
NET EARNINGS (NOTE 8)	418,000	332,000
Retained Earnings at Beginning of Year	575,000	243,000
RETAINED EARNINGS AT END OF YEAR	\$ 993,000	\$ 575,000

The accompanying notes are an integral part of this financial statement.

CONSOLIDATED STATEMENT OF CHANGES IN BANK INDEBTEDNESS

For the year ended September 30, 1974

THE H.A. ROBERTS GROUP LTD.
and Subsidiary Companies
(Incorporated under the Companies Act of Saskatchewan)

	1974	1973
SOURCE OF CASH		
Operations		
Net earnings	\$ 418,000	\$ 332,000
Non-cash charges		
Depreciation and amortization	115,000	107,000
Deferred income taxes	321,000	283,000
	854,000	722,000
Proceeds of mortgage loans	1,539,000	2,713,000
Issue of shares on acquisition of subsidiary (Note 1)	288,000	—
Minority interest in acquisition (Note 1)	219,000	—
Increase in deferred income taxes through acquisition (Note 1)	49,000	—
Sale of revenue-producing properties	511,000	457,000
Increase in accounts payable and accrued liabilities	62,000	807,000
Mortgages on land and property under development	2,146,000	2,756,000
Conversion of share subscription to loans receivable	—	238,000
	5,668,000	7,693,000
APPLICATION OF CASH		
Additions to revenue-producing properties	2,277,000	2,913,000
Repayment of mortgage loans	326,000	138,000
Mortgages on properties sold	42,000	—
Purchase of goodwill and intangibles	210,000	39,000
Increase in property under development	4,161,000	2,797,000
Increase in accounts and mortgages receivable	824,000	1,376,000
Increase in agreements receivable	455,000	619,000
Increase in investments and other assets	55,000	12,000
Increase in loan receivable	—	238,000
	8,350,000	8,132,000
INCREASE IN BANK INDEBTEDNESS	2,682,000	439,000
Bank Indebtedness at Beginning of Year	1,423,000	984,000
BANK INDEBTEDNESS AT END OF YEAR	\$4,105,000	\$1,423,000

The accompanying notes are an integral part of this financial statement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 1974

THE H.A. ROBERTS GROUP LTD.
and Subsidiary Companies
(Incorporated under the Companies Act of Saskatchewan)

1. SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION

The consolidated financial statements include the accounts of all subsidiary companies. During the year, the company acquired 51% of Medallion Mortgage Corp. Ltd. The effective date of acquisition was September 30, 1974 and, as a result, only the assets and liabilities have been consolidated.

ACQUISITIONS

The company has acquired, to September 30, 1974 by an exchange of shares, 51% of Medallion Mortgage Corp. Ltd., a real estate company operating in Alberta and British Columbia. The acquisition has been treated as a purchase for accounting purposes as follows:

Assets acquired	\$2,164,000	
Less		
Liabilities	\$1,718,000	
Minority interest	219,000	1,937,000
		<u>227,000</u>
Excess of cost of investments in subsidiary company over book value		99,000
		<u>\$ 326,000</u>
Consideration given 144,200 shares of The H.A. Roberts Group Ltd. at \$2 each	\$ 288,000	
Other costs — legal appraisals and transfer costs		38,000
		<u>\$ 326,000</u>

CARRYING CHARGES AND TAXES

Carrying charges and an appropriate portion of expenses directly related to development are added to the cost of land and work in process. For the current year, such additions amounted to \$577,000 (1973 - \$212,000).

DEPRECIATION

Depreciation is provided in the accounts on the 5% sinking fund method for apartments and commercial buildings based on estimated useful life of 40 years, and 5% diminishing balance method for hotel buildings. Other assets are depreciated at various rates to amortize their cost over their appropriate useful lives.

2. PROPERTIES

Properties under development and work in progress:

Land	
Future development	\$6,067,000
Under development	928,000
Construction in progress	471,000
	<u>\$7,466,000</u>

Revenue-producing properties completed
and under construction, including
joint ventures (Note 3):

	Cost	Accumulated Depreciation	Net
Apartments and commercial			
Land	\$ 513,000		\$ 513,000
Buildings and equipment	7,029,000	\$ 344,000	6,685,000
Hotels			
Land	267,000		267,000
Buildings and equipment	1,012,000	429,000	583,000
Construction in progress	524,000		524,000
	<u>\$9,345,000</u>	<u>\$ 773,000</u>	<u>\$8,572,000</u>

3. CONTINGENT LIABILITIES AND JOINT VENTURES

The accounts include the company's share of the revenues and expenses and of the assets and liabilities of 50% joint ventures with total assets of \$1,499,000 against which there are mortgages in total amounting to \$899,000.

The company has guaranteed accounts of an affiliate company in the amount of \$395,000.

The investment in land syndicate represents a 25.28% interest in Porter Properties Syndicate. The financial statement of the syndicate at September 30, 1974 shows total assets of \$566,997 and no liabilities.

4. BANK INDEBTEDNESS

Bank indebtedness of \$4,105,000 is secured by a general assignment of accounts receivable, assignment of mortgage loans on work in progress and revenue-producing properties under development and demand debentures on the assets of the company.

5. LONG-TERM DEBT

Mortgage loans are summarized as follows:

	Average Interest	Maturity Dates	Amount
Revenue-producing properties			
Apartments and commercial			
First mortgages	9.14%	1975 to 2009	\$5,055,000
Second mortgages	12.00%	1976	147,000
Hotel			
First mortgage	11.00%	1994	440,000
			<u>5,642,000</u>
Properties sold under agreements for sale	9.77%	1976 to 1994	643,000
			<u>6,285,000</u>
Sinking fund debentures Series A	6.25%	1978 to 1986	171,000
			<u>\$6,456,000</u>

Sinking fund and loan repayments for the next five years are as follows:

1975	\$652,411
1976	388,918
1977	122,669
1978	75,128
1979	\$346,996

6. CAPITAL STOCK

	Shares	Dollars
Balance September 30, 1973	1,583,520	\$1,105,000
Shares issued or to be issued on conversion of Medallion Mortgage Corp. Ltd.	144,200	288,000
Balance September 30, 1974	<u>1,727,720</u>	<u>\$1,393,000</u>

During the year, the company made an offer to the shareholders of Medallion Mortgage Corp. Ltd. on the basis of one share of the company for five shares of Medallion Mortgage Corp. Ltd. As at September 30, 1974, 721,000 shares of Medallion Mortgage Corp. Ltd. or 51% were in the process of being converted. Subsequently, an additional 195,142 shares of Medallion Mortgage Corp. Ltd. had been tendered.

Options have been granted to an employee of a subsidiary to acquire 100,000 shares at \$4 per share. These options expire August 31, 1979.

7. COMMITMENTS

Estimated cost to complete projects in progress and under development will amount to approximately \$1,815,000. Of this amount, the company has at September 30, 1974 entered into firm commitments amounting to \$1,615,000.

8. EARNINGS PER SHARE (1974 - 26.4¢; 1973 - 20.9¢)

The earnings per share figures are calculated using the weighted monthly average number of shares outstanding during the respective fiscal years.

AUDITORS' REPORT

To The Shareholders
The H.A. Roberts Group Ltd.

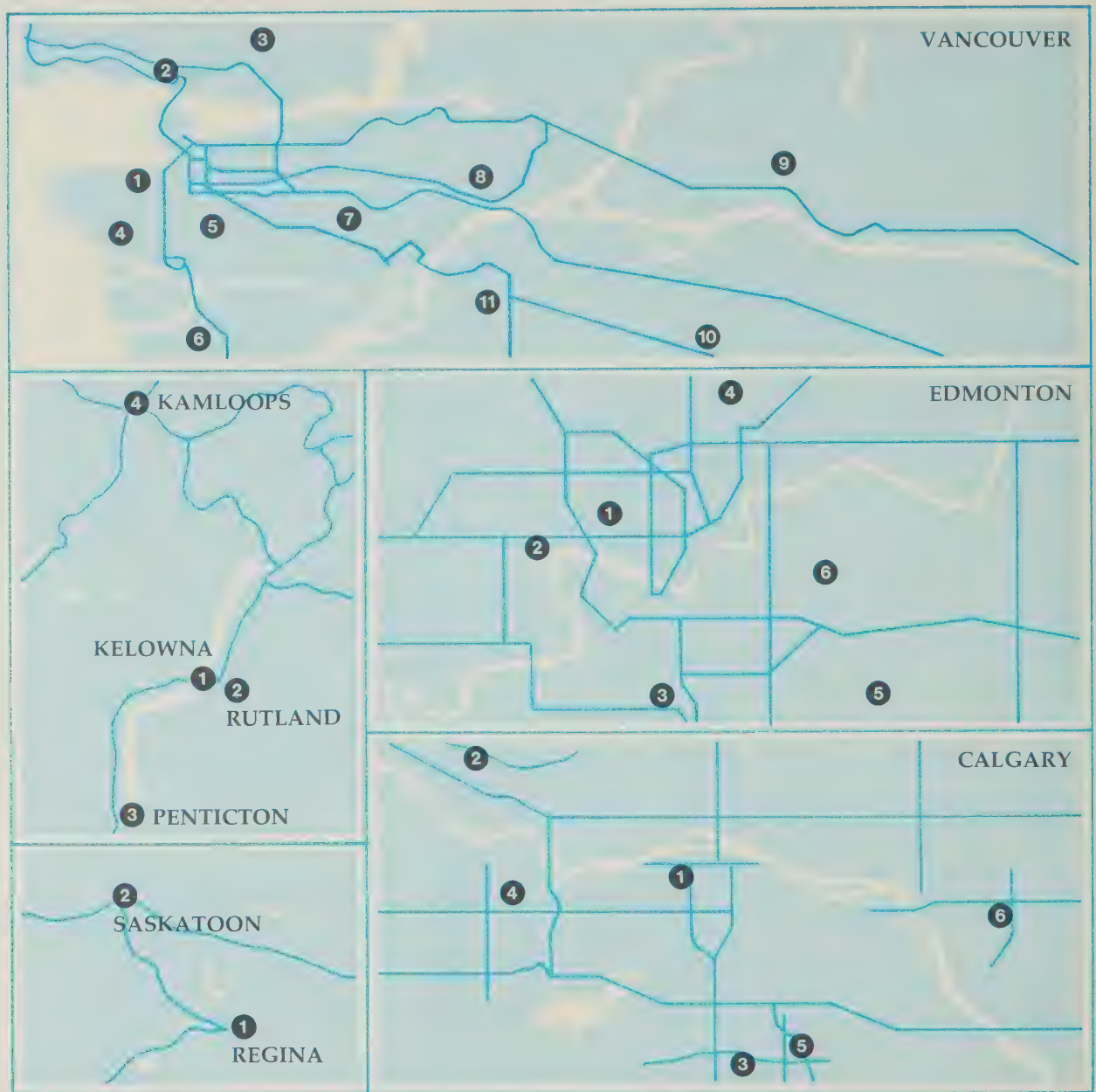
We have examined the consolidated balance sheet of The H.A. Roberts Group Ltd. and its subsidiaries as at September 30, 1974 and the consolidated statements of earnings and retained earnings and changes in bank indebtedness for the year then ended, and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the companies, these financial statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at September 30, 1974 and the results of their operations and the changes in bank indebtedness for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. All the transactions of the companies that have come to our notice have been within the objects and powers of the companies.

Regina, Saskatchewan
November 29, 1974

RIDDELL, STEAD & CO.
Chartered Accountants

H.A. ROBERTS REALTY BROKERAGE OFFICES



VANCOUVER

1. 1774 West Broadway
2. 103 Park Royal
3. 1995 Lonsdale
4. 5663 West Boulevard
5. 1445 East 41st Ave
6. 814 Park Road
7. 4909 Kingsway
8. 901 Lougheed Hwy
9. 22446 Lougheed Hwy
10. 20450 Fraser Hwy
11. 9546 - 120th Street

EDMONTON

1. 10104 - 121st Street
2. 10144 - 142nd Street
3. 6120 - 90th Avenue
4. 13218 - 82nd Street
5. 10 Perron Street
6. 10623 - 51st Avenue

CALGARY

1. 621 - 4th Avenue S.W.
2. Northland Village
3. Shopping Mall
19 Lakeview Plaza
4. Shopping Centre
147 Westbrook Mall
5. 440 Acadia Drive S.E.
6. Centre 17

INTERIOR OF B.C.

1. 260 Harvey Avenue
2. 310 Highway, 33 West
3. 462 Main Street
4. 330 Seymour Street

SASKATCHEWAN

1. 2222 - 11th Avenue
2. 33 - 120 Acadia Drive

MEDALLION MORTGAGE CORPORATION

New power for the Brokerage Division.

In 1972, when McAra Properties of Saskatchewan acquired H.A. Roberts of Vancouver and became The H.A. Roberts Group, each of us was strong in the area of our home base. Between us lay Alberta, and it was logical to seek a means of tapping the potential of this vast market.

On July 29, 1974, the means became apparent. We tendered to the shareholders of the Medallion Mortgage Corporation an offer which resulted in the transfer of 71.79% of the stock outstanding — some 997,549 shares — to our control. (As of Dec. 2nd 1974).

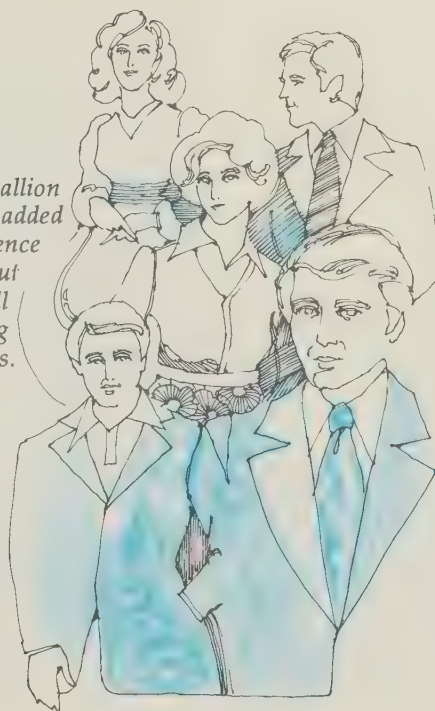
The Medallion group of companies not only gives us representation in Alberta, but in the Okanagan region of British Columbia as well. Each of the individual companies has considerable stature in its own right. Buxton Real Estate is number two in Edmonton with six offices. Collinson Gallery of Homes, with four offices, is the premier broker in the Okanagan. Metro Realty, with six offices, is among the top five brokers in Calgary. In Vancouver, Rutherford McRae brings a well-established and highly prestigious organization into our group.

We immediately moved to consolidate our real estate brokerage operations. The combined brokerage division now consists of 29 branches and over 400 employees. The advantages of a fully western operation with an integrated in-company referral and listing service will be considerable.

The addition of Medallion to our organization gives us a firm operating base in Alberta from which to engage in future development activities. The potential of the Edmonton and Calgary markets cannot be overstated. They are growing by leaps and bounds, and an organization with a short response time has an excellent opportunity to take part in this growth. The H.A. Roberts Group is already moving in this direction.

Another benefit of the Medallion transaction was the acquisition of the exclusive rights to the Gallery of Homes franchise in Western Canada. Gallery of Homes is the largest referral service in North America, with 1,400 offices and a staff of over 14,000. The H.A. Roberts Group can now participate in this service, and also sell the franchise to other independent real estate brokers throughout Western Canada.

With the acquisition of Medallion Mortgage Corporation we have added not only strong corporate presence in Alberta and the Okanagan, but a team of professionals that will help H.A. Roberts Ltd. in serving these growing markets.



THE LAND BANK

An innovation in development financing.

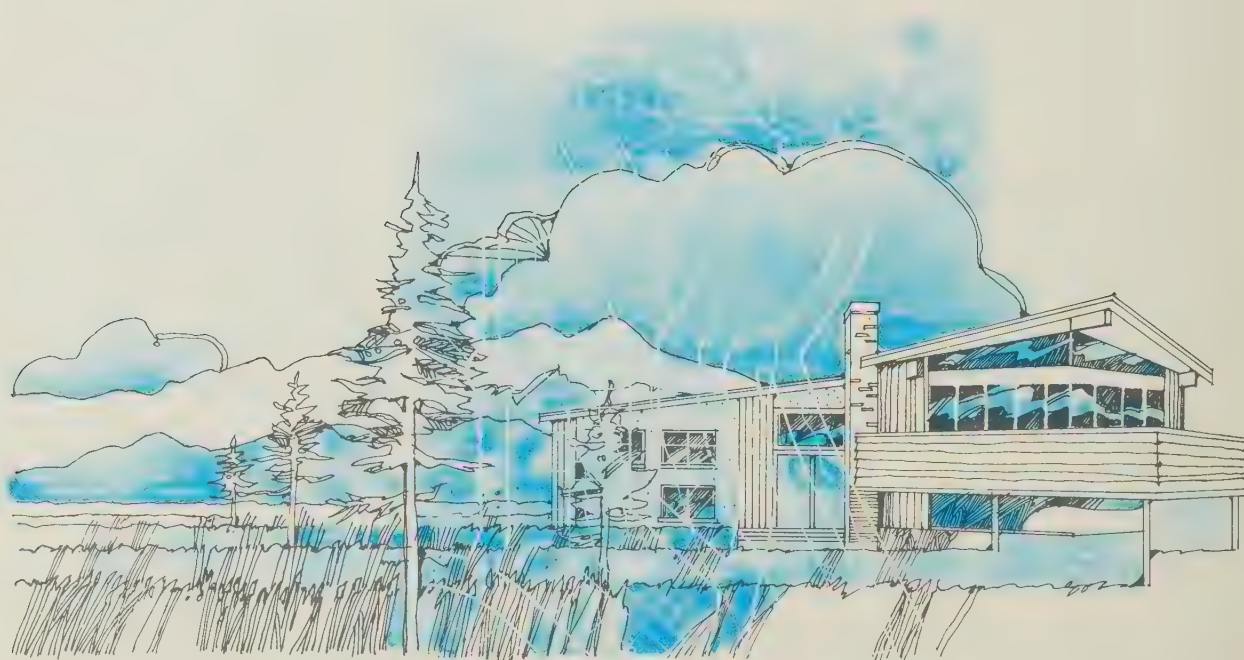
The need: to provide a method of financing land to be acquired by The H.A. Roberts Group for future development.

The challenge: to develop a method of financing a land bank, managed by a real estate development corporation, financed by institutional investors under a trust agreement, and administered by a reputable trust company.

The approach: the investor, through the medium of an interest-bearing bond, will participate in profits arising from land transactions; The H.A. Roberts Group will enjoy both reasonable assurance of the availability of funds and interest rates that are equitable in relation to the risk.

A flow-through arrangement is envisaged: the maturity of the securities will be tied to the anticipated timing of development programs. It is expected that, as maturities occur, investors will re-invest.

The result: The H.A. Roberts Group can even out future growth development patterns by ensuring an adequate supply of serviced land to meet all market needs. The institutional investor representing the pension funds will be able to insure that future retirement security is adequate and free from the erosion of double-digit inflation by sharing in increasing real estate value, getting a guaranteed return, and having The H.A. Roberts Group accept the risks.



ALBERTA

The H.A. Roberts Group's newest market.

While the rest of the Canadian economy slows down, Alberta still surges ahead. As a supplier of food and energy to a world hungry for both, her rich and exciting future seems assured.

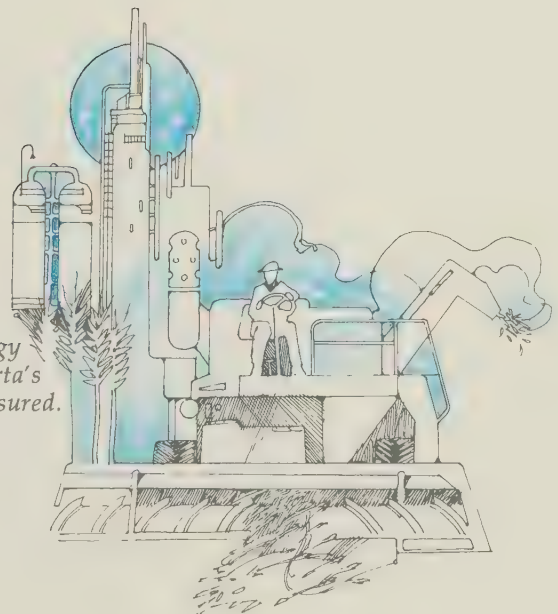
Already, the population has begun to surge, climbing by over 100,000 in the last three years, to 1.7 million. Average weekly earnings now stand at \$181.92, up from \$160.57 last year. The land boom has begun, with residential lots outside of major metro areas doubling in value in the last five years, and climbing rapidly. Housing starts have held steady at nearly 10,000 for the last two years, but the influx of both population and money mean an increasing pressure on the market and an excellent opportunity for astute developers. In a slightly different context, Calgary alone consumes over 600,000 square feet of office space a year; last year, only 250,000 feet came onto the market.

With the focus of activity divided between Calgary and Edmonton, opportunity for profitable enterprise spreads out across the length and breadth of the Province. It is this extremely promising market that The H.A. Roberts Group intends to tap. We have already begun. As mentioned earlier, The H.A. Roberts Group moved into the development picture immediately upon acquiring Medallion Mortgage Corporation. Within a month, we were involved in our first big Alberta project, Willow Tree Village.

At Willow Tree Village, we are taking luxury rental units in the Lake Bonavista area of Calgary and converting them to condominiums. We will make homeowners out of renters, and we will give them some considerable incentive to make the conversion: a swimming pool, sauna, whirlpool, cabana, tennis courts, barbecue patios, and children's tot lot.

This, of course, is just the first Alberta project. Many more are in the offing.

*As a supplier of food and energy
to a world hungry for both, Alberta's
rich and exciting future seems assured.*



REMCI

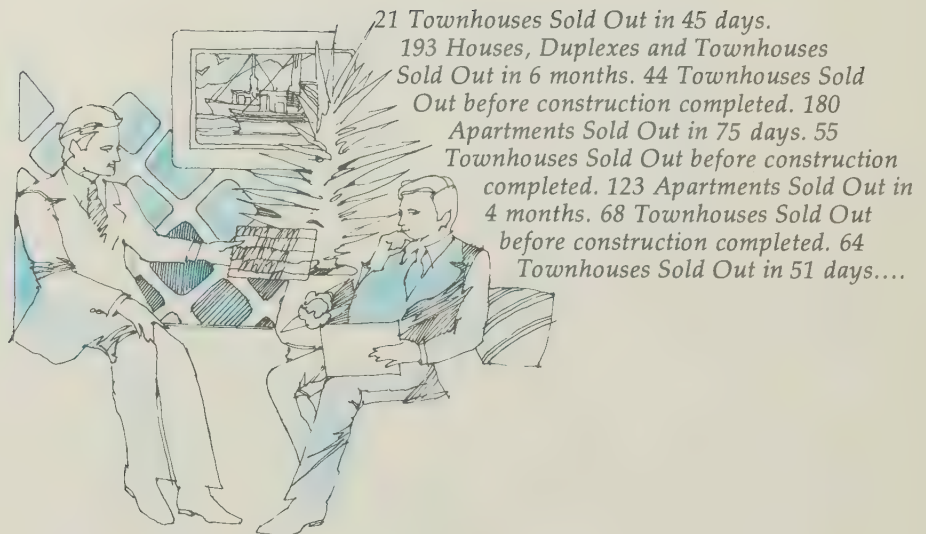
The special skills of condominium marketing.

The sales record of REMCI (Real Estate Marketing Condominium Institute) since its inception in 1900 is over \$30 million worth of condominiums. A division of The H.A. Roberts Group, REMCI has performed successfully for a wide-ranging group of developers over the past several years. They have sold out project after project, whether starting from scratch or taking over someone else's headache.

REMCI's credits are impressive: Sharron Gardens, Richmond; Westfield Towne, Regina; Loughheed Estates, Burnaby; Royal Alexandra, Victoria; Wascana Estates, Regina; Orchard Valley, Port Coquitlam; Evergreens, Saskatoon.... the list goes on. Even more impressive is the speed with which they move: 193 homes sold out in six months;

44 townhouses sold out before completion; 123 apartments sold out in four months; 180 apartments sold out in 75 days.

Clearly, there is something more going on here than simply good luck or even good salesmanship. Basically, it has to do with professional marketing and management programs using field-tested methods. REMCI's expertise encompasses the whole range of condominium marketing skills, from feasibility studies to planning and design, interior design, materials selection, advertising and promotion, sales training, final conveyancing and condominium management.



THE WESTWARD MOTOR INN

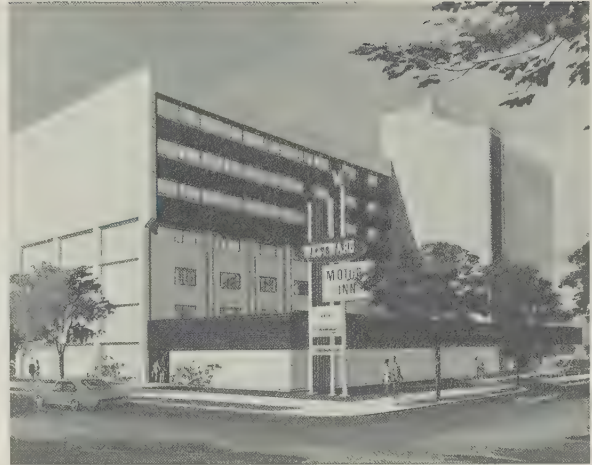
Making a good thing better.

For some years now, Regina's Westward Motor Inn has been one of the great success stories of the hotel business in Western Canada. It has achieved a reputation for comfort, service and fine food that has made it one of the most popular places to stay in downtown Regina.

The H.A. Roberts group has embarked on a \$2 million expansion of the Westward that will nearly double its guest capacity, improve the conveniences, refurbish much of the interior, and add a new food and entertainment spot called Joe's Place to the Regina cabaret scene. When the job is done, the Westward will be more than ever Saskatchewan's most popular hotel.

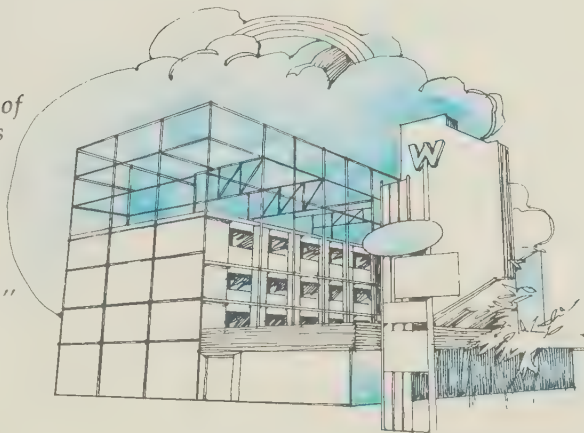
We are taking a four-storey building and making a seven-storey building out of it. But the top three storeys will float above the lower four on their own steel columns surrounding the original structure — an architectural and structural accomplishment of some magnitude.

We are adding 60 new luxury bedrooms, for a total of 136. There will be two new, high-speed elevators to accommodate the higher rise of the building. There will be a luxurious new lobby. And there will be a special touch for executives: the new President Suite on the 7th floor will contain a complete bar facility and a sunken bath for some really opulent relaxation.



Other segments of the hotel have not been forgotten. The Carriage Room will be capable of providing banquet facilities for 300 guests, thereby enhancing the hotel's position as a meeting and convention centre. A new kitchen is being installed to better serve the popular Gaslight Dining Room and Red Garter Lounge. Even the parking facilities have been expanded to accommodate 200 cars, plugged in for overnight warmth.

The Canadian Institute of Steel Construction has chosen this project to be the subject of a 20 minute presentation to illustrate the first use in Canada of this building system. "The staggered steel floor to ceiling truss."





THE ABBOTSFORD PROJECT

A mountain is for living on.

About fifty miles down the freeway from Vancouver is the town of Abbotsford, a pleasant rural community which serves as the supply centre for the surrounding farm region. Nearby is Sumas Mountain, 800 feet above the valley, with the kind of view for which British Columbia is famous. Sumas Mountain is the site of our most ambitious planned community to date, 460 units of several different types, laid out over 103 acres.

At the top of the mountain, single-family luxury homes will take advantage of the commanding view. A little further down we'll bring an entirely new type of housing to British Columbia: patio homes.

Technically called "zero lot line housing", patio homes enable us to cut the cost of land in half while retaining the character of the single family home. With staggered setbacks and separate patios, land is used more efficiently and thus its cost drops commensurately. Community association arrangements help to reduce maintenance costs and at the same time open up opportunities for a variety of recreational and amenity packages.

Below the patio homes will be townhouses, two- and three-bedrooms, with all the amenities young families look for in a new home. And finally, apartments catering to couples and even some for the newest class of homeowners, single persons.



We haven't selected a name for this project yet, but whatever we call it, some 1,600 people will surely call it home.

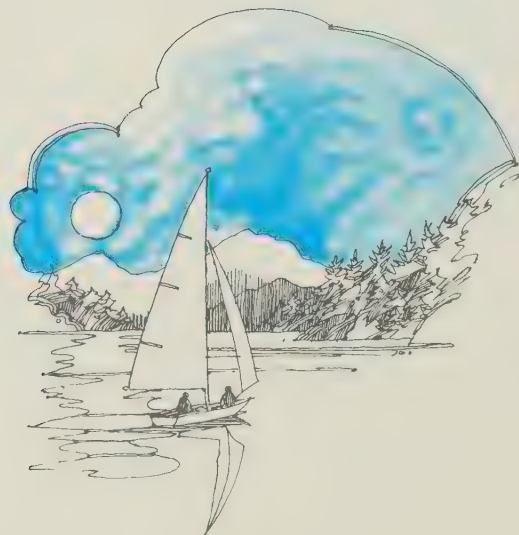
LION'S BAY

Excitement on the waterfront

It takes a certain amount of imagination to look at a little strip of land between the road and the water and recognize the potential for a 15-unit luxury home development. That's what we've done at Lion's Bay.

For those who may not know the area, Lion's Bay is one of those appealing little coves where the mountains come right down to the water on one side and islands rise on the other. It is on the Vancouver-Squamish highway, and more and more people are discovering its delights as the population explosion sends them further from the metropolitan center.

To put 15 homes on the sites we purchased, it was necessary to delete the lot lines. The owners of the 15 homes will each own a 1/15th share in the common area property, which will, of course, include a swimming pool and a cabana.



ORCHARD VALLEY

Timing is everything

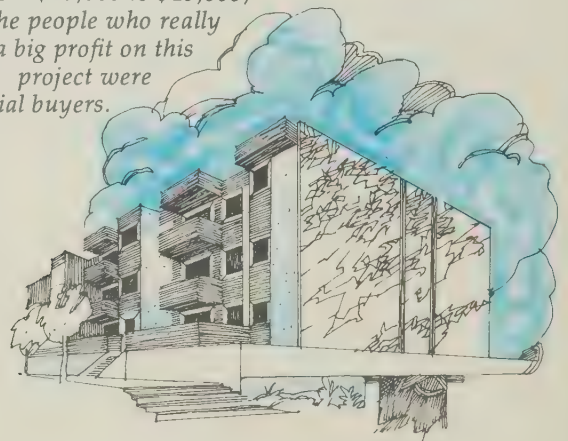
Sometimes our zeal for personal home ownership brings strange results.

Orchard Valley is a 180-unit condominium in Port Coquitlam, B.C., that was long on amenities and short on price. There were one-, two-, and three-bedroom units with 26-oz. shag carpeting, deluxe appliances, underground parking, walk-in storage, and so forth.

There was a swimming pool and indoor recreation area with saunas, swirl-bath and hobby room. A social clubhouse. A children's playground. Garden patios.

These condominiums sold for between \$15,000 and \$26,000. We were able to put people into their own homes for as little as \$1,200 down, and we were proud of ourselves for having made home ownership so accessible. Naturally, the project sold out quickly.

*Then a funny thing happened.
Within 60 days, those units
were worth anywhere
from \$30,000 to \$40,000,
and the people who really
made a big profit on this
project were
the initial buyers.*



FAIRWAYS

Towers for a golf course.

Sometimes a site is irresistible. When almost all the landscape in sight is carefully manicured, when the trees and the hills and the lawns all harmonize to create the effect of man in touch with nature, and when just a corner of the locale is set aside for living, it is a fortunate developer who gets to build on such a site.

That was the inspiration for Fairways; two acres, nestled into a corner of the Vancouver Golf Club, with Brookmere Park adjacent, one of the loveliest tracts in the metropolitan area.

Our plans call for twin 8-storey towers which, when complete, will house 94 luxury, self-owned suites, including some really outstanding penthouses. Splendid views will be the rule, even from the lower floors. And of course, the amenities will be in keeping with the tasteful character of the place.

CARRIGAN PLACE

Luxury in a bustling locale.

The area surrounding Lougheed Mall in Burnaby is one of the hottest condominium locales on the Lower Mainland. Numerous condominium projects have already been built there and sold out in record time. Added to the development appeal is the new expansion program underway at the Mall to make room for more stores and a hotel complex. Carrigan Place is designed to take advantage of all this activity.

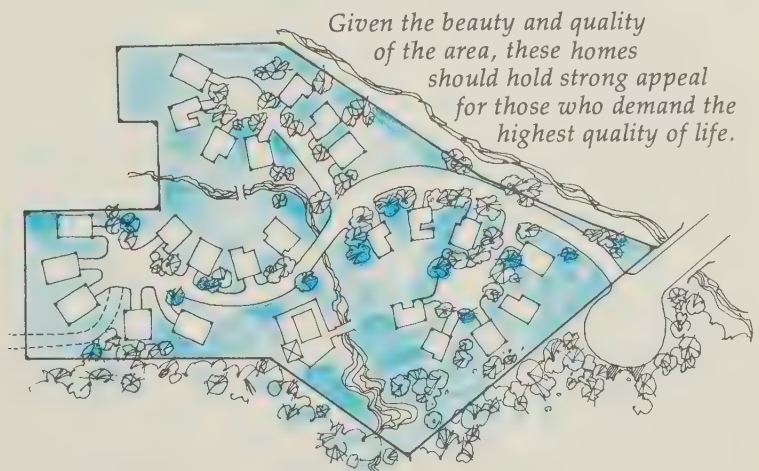
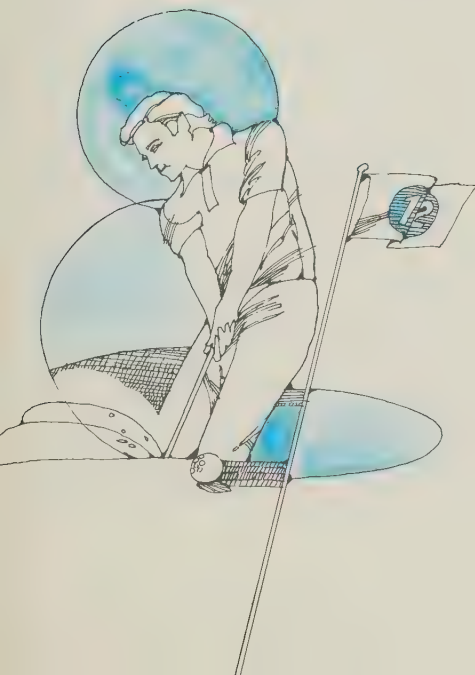
The plans for Carrigan Place call for a 21-storey tower situated on 1.4 acres of prime apartment land just off Lougheed Highway and within walking distance of the Mall. It will contain 125 one- and two-bedroom suites done in tasteful luxury for discriminating buyers. Each suite will have a kitchen large enough to eat in, a balcony large enough to dine on, all deluxe appliances, and 1½ baths. All the social amenities mentioned in our other condominium projects will be included in this one as well, done with the same careful attention to detail that we intend for the entire project.

DEER LAKE

The creative side of land subdivision.

The potential of surplus land remnants is not always obvious. Not long ago we acquired about six such parcels left over from previous subdivisions in a very beautiful and exclusive district of Burnaby called Deer Lake. Homes in this area are in the \$100-\$200,000 range, so land here should certainly not be allowed to go to waste.

Even so, six parcels of bush on the side of a hill do not compose a very promising development to everybody who happens by. It takes a certain amount of imagination and vision to recognize their potential. The staff of our Land Subdivision section have this vision, and those surplus remnants are now to be a subdivision of a planned community association with 24 architecturally integrated luxury single family homes with a recreational amenity package and a landscape plan featuring a pond, a free-flowing stream and a rustic bridge.



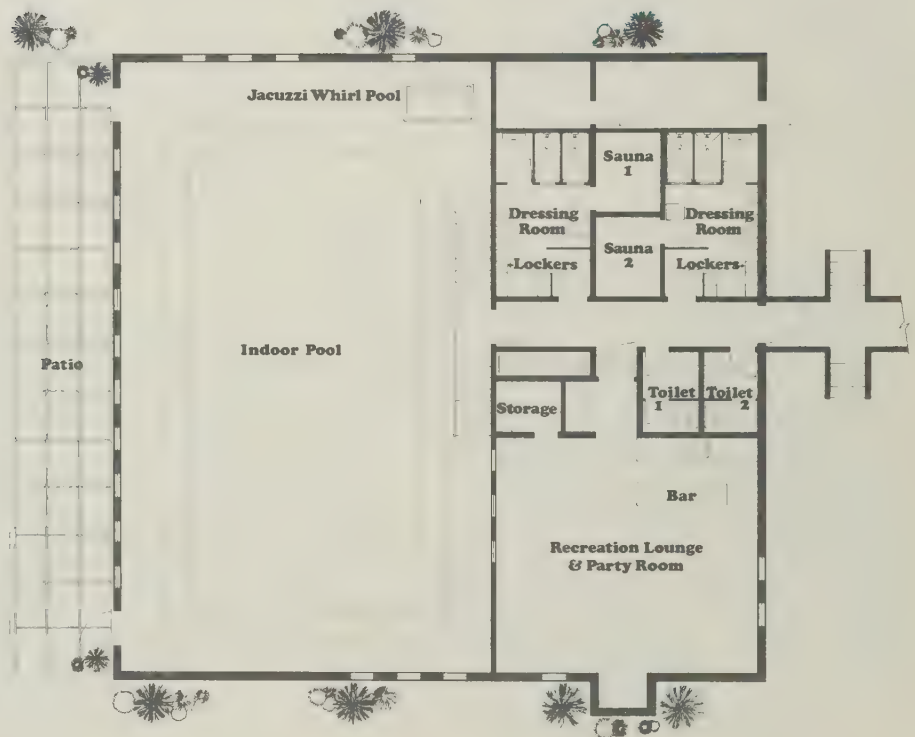
THE SANDPIPER HEIGHTS SWIM AND RACQUET CLUB

Regina eye-opener.

A distinct country-club atmosphere. Tennis court, Exercise facilities, Saunas, Volleyball court, Indoor swimming pool, Party room, A \$100,000 recreation centre, all contained on five acres of completely original planned community for Regina.

Sandpiper is something new for Regina. There are 68 townhouses with enough variations in design and planning to give everyone a feeling of individuality. With sunken living rooms, fireplaces, sliding glass doors going onto back patios, as many as four bedrooms, and full basements. With a unique heated underground parking arrangement, two cars per townhouse, that allows the owner to drive right up to his basement door. All set in this country-club atmosphere, with one of the most complete recreation facilities in the city.

*Just for the record,
we sold this one out
before the construction was
completed, thereby reducing
the cost of interim financing.*





THE EVERGREENS

Alchemy in Saskatoon.

A clear-cut example of the success that can only come from a special kind of expertise occurred last year in Saskatoon. Another developer had built a townhouse project but encountered difficulty in selling, and found it necessary to convert them to rental housing.

The H.A. Roberts Group bought the project outright. We refurbished it. Changed the landscaping. Repainted it. Changed the parking areas and the back patios. Built a year-round recreation centre with a swimming pool. In all we spent \$200,000 putting the Evergreens into the kind of shape we require in a development before we will apply our name to it.

Then we brought in REMCI to convert it back from rental accommodations to strata title condominiums, and sell it. It was sold out within eight weeks.

We received a good return on our investment from this project, but interestingly enough we weren't the only ones. All the tenants were given first option to buy, at a discount, and 18 accepted. They liked what we had done to Evergreens. They also liked the fact that the value of their townhouses increased substantially in almost no time at all.

Today, 64 families now own their own homes in Saskatoon who didn't before, including at least 18 who had been renters.

These people are now protected from inflation, are acquiring equity in their properties.

We like to think of that as making progress in the shelter business.



Through the previous 5 years we surpassed all of our projections. Our assets, earnings, cashflow and sales have improved with every year.

This year has been the first of our new 5 year plan and we have started the way we mean to continue – ahead of schedule.

Our goal is to maintain a 25% annual growth rate. At the same time, we shall be working to increase our

present equity. In order to achieve this goal we shall be concentrating on continued growth in Western Canada, particularly in market areas strong in energy and agriculture.

We shall also be looking at expansion into Eastern Canada and the Western United States, through possible joint ventures and partnerships.



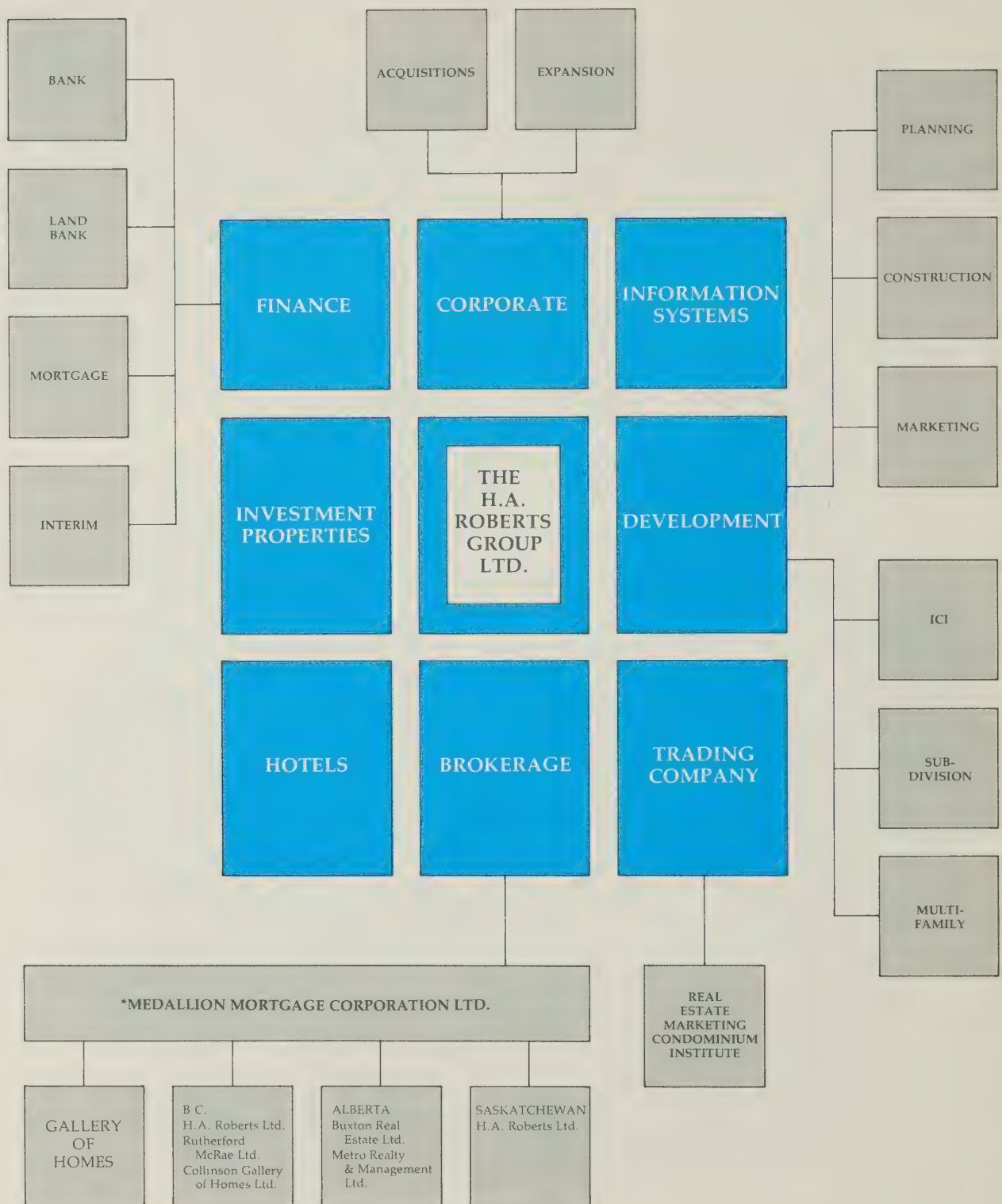
Casey C. Vanee

W. Joseph Bronstein

Eli L. Fluter

Frank Sojonky

Kevin P. Boyle



* 71.79% owned as of December 2nd, 1974.

